

IMPACT INVESTING

Strategy and Action

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**ROCKEFELLER PHILANTHROPY ADVISORS
PHILANTHROPY ROADMAP**

Moving From Intent to Action

approaches, as well as financial tools and investment principles. For a review of relevant terms, please refer to the Glossary.

SUSTAINABILITY

MARKET-BASED APPROACHES

ANALYSIS

an objective lens to address significant needs, optimizing potential impact



When?

Effective investing relies not only on how to invest, but also for how

What is your desired investment timeline for your financial return?

Who?

HOW DEEPLY WILL YOU ENGAGE WITH YOUR INVESTMENTS?

they support, while others find this less appealing. Your available

WHO ELSE WILL BE INVOLVED?

WHO CAN YOU PARTNER WITH AND LEARN FROM?

Professional advice from legal, financial and philanthropic

with them. As this field matures, many peer learning networks will
transparency (e.g., Heron) and others have a mandate to share

Once you've put ample time and thought into the PREPARE stage, you

BOTH SIDES OF THE COIN
THE ARAGONA FAMILY FOUNDATION

flexibility of the practice
can offer more than one

staff is critical for success.

the foundation's investments

role. His background includes

nonprofit experience, which

Foundation's experience with

that aligned with the foundation's

in Student Loan Genius, a social
student loan benefits and has

financial wellness and engage

(PRI), where the social benefit
prospects of a financial return.

He started small, with loans to nonprofits ofering structured

He positioned impact

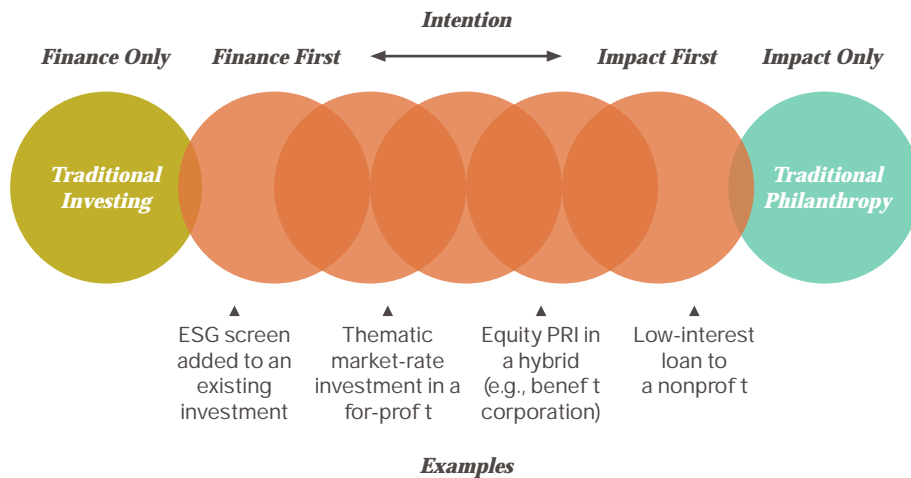
financial return alongside

Foundation's expertise, flexibility,

“If nothing else, I’d like folks to know that impact investing is not exclusively a tool or domain for the large multi-billion dollar national foundations.

Stage Two: Build

investing. For example, if you land on the far left (prioritizing financial return), your approach will be quite different than if you land on the



As you see the balance between impact and financial return, what part of the spectrum are you drawn towards? Which one reflects

Before moving forward, it's important to add the consideration of

reviewed these lenses separately in the PREPARE section; it's now time to put them together with specific investment ideas

Lower Risk / Low Engagement

COMMUNITY FINANCIAL INSTITUTIONS

communities. Working with an organization like this takes little effort

particular type is called a CDFI, or community development financial institution, which finances community businesses in difficult-to-serve

SPECIAL PURPOSE FUNDS

guarantees in social enterprises. Benefits include the adjusted risk

Variable Risk / Low Engagement

IMPACT INVESTING FUNDS

seeking positive social and environmental impact and a financial return. The nonprofit offers a guide to impact investment fund managers, and the Global Impact Investing Network,

Lower Risk / High Engagement

SHAREHOLDER ACTIVISM

influence its management and policies. The attempt to integrate responsibility or specific issue areas. Investors can work individually or in coalition with others, pushing to influence corporate behavior

Variable Risk / High Engagement

PROGRAM RELATED INVESTMENTS (PRIs)

accomplishing part of the foundation's mission. Unlike grants, PRIs are expected to be paid back, often with a modest rate of return.

DIRECT INVESTMENT

Structure

To be clear, structure decisions affect each other. Two possible

Build Consensus

Unless you're acting alone, impact investing can be as much

collaborators has proven to be difficult for many, given the range of priorities and understanding within a foundation, family office or

For more specific considerations, please also see our guide "Talking

“As the number of impact investing advisors has grown, asset owners have moved from a scarcity of options to abundance—the challenge is now finding an advisor who understands how you want to connect your money and mission.”

STEVEN GODEKE, GODEKE CONSULTING

Formalize Your Team

As you build consensus and consider advisors, also reflect on applicable. Think of those who have significant internal or external influence as well as those with particular social impact and/or staff working together. Look for characteristics particularly helpful to the task at hand, including flexibility, collaboration, patience,

When Kristin Hull's family

family's foundation—both

effective approach to building

that fit squarely within it.

noting that their financial risk is

financial loss represented by a

Stage Three: Refine

Make Your First Investment

START FROM STRENGTH

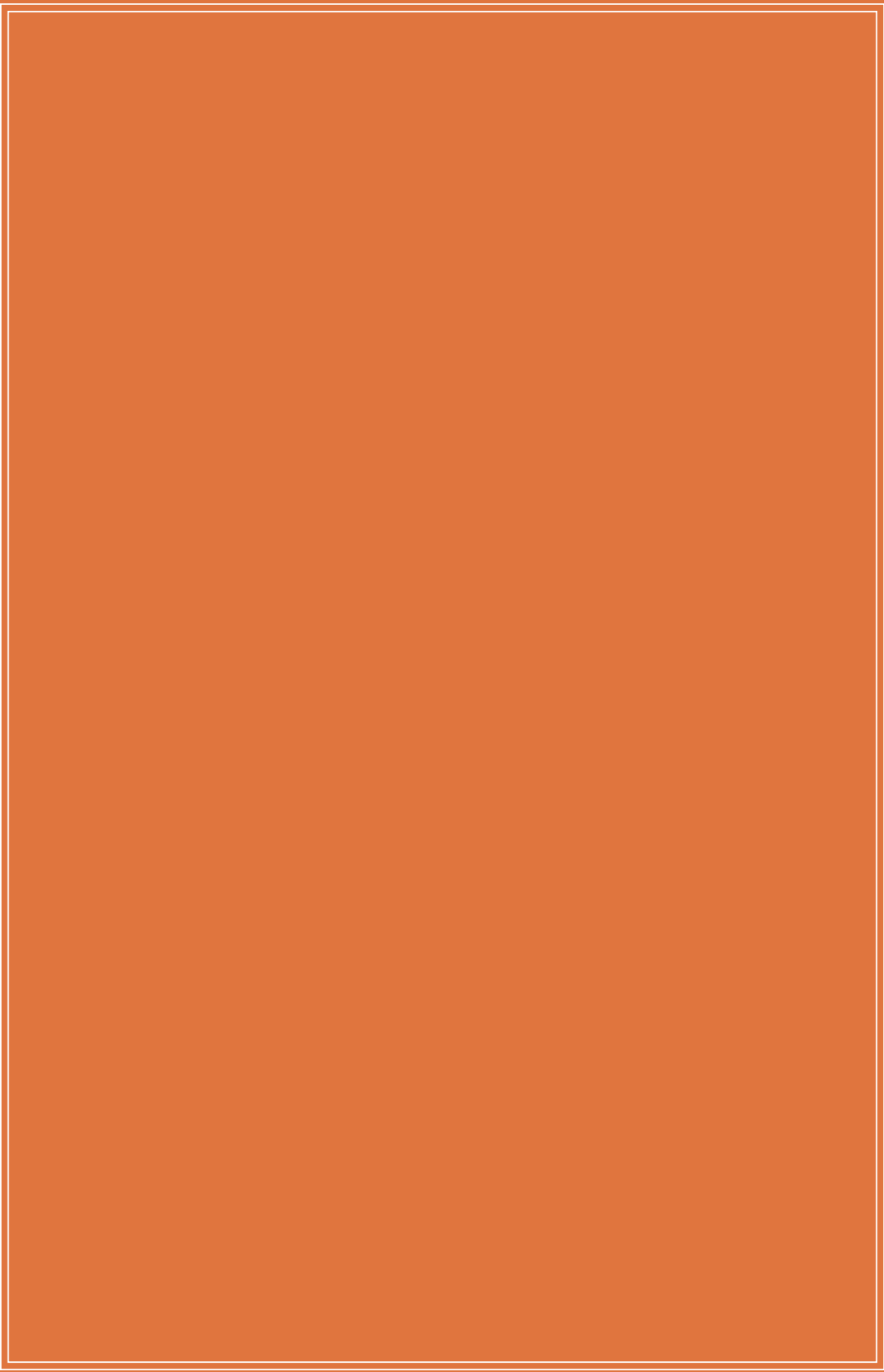
financial due diligence of potential opportunities. If you are coming from an investment angle, you might slowly integrate an ESG

COORDINATE WITH PHILANTHROPY

grant, such as, for instance, a low-interest loan to a nonprofit that wants to purchase office space.

When you feel comfortable with your progress towards your first

to confirm adequate alignment. When you're ready and all the key



Resources

Here are additional resources for your impact investing journey.

UN PRI
unpri.org

implications of environmental, social and governance (ESG) factors

US SIF
ussif.org

Glossary

BLENDED VALUE:

sometimes referred to as blended return or blended finance.

CONCESSIONARY RETURN:

sacrifices some financial gain to achieve a social benefit

CORPORATE SOCIAL RESPONSIBILITY (CSR):

DOUBLE/TRIPLE BOTTOM LINE (DBL/TBL):

deliver financial returns and social and/or environmental impact.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE (ESG):

sustainable, fair and effective practices and mitigate potential risks; ESG may be referred to as “ESG investments” or

MARKET RATE IMPACT INVESTMENT:

designed to result in positive social or environmental benefits while generating financial returns that are comparable to similar

MISSION-RELATED INVESTMENTS (MRIS):

a foundation's endowment that seek to achieve specific goals to advance the foundation's mission while targeting market-rate financial returns comparable to similar non-mission focused investments. MRIs are not an official IRS designation and are

foundation's mission and programmatic goals. Opportunities for MRIs exist across asset classes and issue areas.

NEGATIVE SCREEN:

PAY-FOR-SUCCESS CONTRACT (SOCIAL IMPACT BONDS):

PROGRAM-RELATED INVESTMENTS (PRIS):

ROCKEFELLER PHILANTHROPY ADVISORS

is a nonprofit that partners with individuals, families, and institutions to help make philanthropy more thoughtful and effective. Since 2002,

establishing ourselves as one of the world's largest and most trusted

innovative, early-stage nonprofits; and share insight and learning

our goal is to help define the next generation of philanthropy and to

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